

**LASALLE PARISH CLERK OF COURT  
JENA, LOUISIANA**

**ANNUAL FINANCIAL REPORT  
JUNE 30, 2013**

LaSalle Parish Clerk of Court  
Jena, Louisiana

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# LaSalle Parish Clerk of Court

Jena, LA

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## MANAGEMENT'S DISCUSSION AND ANALYSIS

June 30, 2013

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As management of the LaSalle Parish Clerk of Court, we offer readers of the Clerk's financial statements this narrative overview and analysis of the financial activities of the Clerk for the fiscal year ended June 30, 2013. We encourage readers to consider the information presented here in conjunction with the Clerk's financial statements, which are attached.

### **Financial Highlights**

#### **(GWFS)**

- The liabilities of the governmental activities of the Clerk exceeded its assets at the close of the most recent fiscal year by \$460,214 (net position). This is mainly due to the implementation of GASB No. 45, Other Post Employment Benefits.
- In the governmental activities, the Clerk's office had total revenues of \$644,585 and total expenses of \$748,735.

#### **(FFS)**

- In the General Fund the Clerk's office has total revenues and other financing sources of \$669,282 and total expenditures of \$643,719 which increased the fund balance by \$25,563 to a balance of \$100,952.
- The Clerk's capital expenditures for the year were \$34,783.
- The Agency Funds have total assets of \$398,934.

### **Overview of the Financial Statements**

The discussion and analysis is intended to serve as an introduction to the Clerk's basic financial statements. The Clerk's basic financial statements consist of the Statement of Net Position, Statement of Activities, Balance Sheet, Statement of Revenue, Expenditures and Changes in Fund Balance, and the Notes to the Basic Financial Statements.

The Clerk's overall financial position and operations for the past two years summarized below on the information in the current and prior financial statements.

**Statement of Net Position  
Governmental Activities**

<u>Category</u>	<u>2013</u>	<u>2012</u>	<u>Amount of Change</u>
Cash & Cash Equivalents	\$ 81,800	\$ 60,283	\$ 21,517
Receivables	17,658	14,910	2,748
Capital Assets, Net	60,541	43,936	16,605
Prepaid Expense	9,850	9,695	155
Total Assets	<u>\$ 169,849</u>	<u>\$ 128,824</u>	<u>\$ 41,025</u>
Accounts Payable	\$ 3,477	\$ 4,325	\$ (848)
Payroll & Related Liabilities	4,879	5,174	(295)
Long-Term Debt (Within One Year)	5,053	478	4,575
Long-Term Debt (Due After One Year)	12,527	0	12,527
Net Pension Obligation	604,127	474,911	129,216
Total Liabilities	<u>\$ 630,063</u>	<u>\$ 484,888</u>	<u>\$ 145,175</u>
Net Investment in Capital Assets	\$ 42,961	\$ 43,458	\$ (497)
Unrestricted Net Position	<u>(503,175)</u>	<u>(399,522)</u>	<u>(103,653)</u>
Total Net Position	<u>\$(460,214)</u>	<u>\$(356,064)</u>	<u>\$(104,150)</u>

**Statement of Revenues, Expenditures and Changes in Fund Balance  
General Fund**

<u>Category</u>	<u>2013</u>	<u>2012</u>	<u>Amount of Change</u>
Revenues	\$634,499	\$703,760	\$(69,261)
Expenditures	<u>643,719</u>	<u>659,889</u>	<u>(16,170)</u>
Excess (Deficiency) of Revenues over Expenditures	\$ (9,220)	\$ 43,871	\$(53,091)
Other Financing Sources (Uses)	<u>\$ 34,783</u>	<u>\$ 0</u>	<u>\$ 34,783</u>
Excess (Deficiency) of Revenues Other Sources over Expenditures and Other Uses	\$ 25,563	\$ 43,871	\$(18,308)
Fund Balance-Beginning	<u>75,389</u>	<u>31,518</u>	<u>43,871</u>
Fund Balance-Ending	<u>\$100,952</u>	<u>\$ 75,389</u>	<u>\$ 25,563</u>

### **Government-Wide Statements**

The government-wide statements report information about the LaSalle Parish Clerk of Court as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the LaSalle Parish Clerk of Court's net position and how it has changed. Net position equals the difference between the government's assets and liabilities.

- Over time, increases or decreases in the Clerk's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the government, one needs to consider additional non-financial factors such as changes in the Clerk's revenue sources.

The government-wide financial statements of the LaSalle Parish Clerk of Court include the *Governmental Activities*. Most of the Clerk's basic services are included here, such as legal recordings and filings.

### **Fund Financial Statements**

The fund financial statements provide more detailed information about the LaSalle Parish Clerk of Court's most significant fund - not the government as a whole. Funds are accounting devices that the Clerk uses to keep track of specific sources of funding and spending for particular purposes.

The LaSalle Parish Clerk of Court has the following types of funds:

- *Governmental Funds* - Most of the Clerk's basic services are included in governmental funds, which focus on (a) how cash and other financial assets can readily be converted to cash flow in and out and (b) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the Clerk's programs. Because this information does not encompass the additional long-term focus of the governmental-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explains the relationship (or differences) between them.
- *Fiduciary Funds* - The Clerk is the trustee, or fiduciary, for certain funds. The Clerk is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the Clerk's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the Clerk's governmental-wide financial statements because the Clerk cannot use these assets to finance its operations.

**General Budgetary Highlights**

For the year ended June 30, 2013, both revenues and expenditures were within the 5% variance allowed.

**Contacting the LaSalle Parish Clerk of Court**

This financial report is designed to provide a general overview of the LaSalle Parish Clerk of Court's finances for all those with an interest. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the following:

LaSalle Parish Clerk of Court  
P. O. Box 1316  
Jena, LA 71342

# Johnson, Thomas & Cunningham

## Certified Public Accountants

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### INDEPENDENT AUDITOR'S REPORT

Honorable Steve D. Andrews  
LaSalle Parish Clerk of Court  
Jena, Louisiana

#### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, major fund and fiduciary funds of the LaSalle Parish Clerk of Court, a component unit of the LaSalle Parish Police Jury, as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the Clerk's basic financial statements as listed in the Table of Contents.

#### **Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation

and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### **Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, major fund and fiduciary funds information of the Clerk as of June 30, 2013, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Other Matters**

#### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 1 through 4 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is presented for purposes of additional analysis and is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the management's discussion and analysis in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the introductory section because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

#### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Clerk's basic financial statements. The budgetary comparison listed as required supplementary information in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements. The budgetary comparison statement is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.



*Other Reporting Required by Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 7, 2013, on our consideration of the Clerk's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Clerk's internal control over financial reporting and compliance.

*Johnson, Thomas & Cunningham*

Johnson, Thomas & Cunningham, CPA's

November 7, 2013

Natchitoches, Louisiana

## BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE  
FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court  
Statement of Net Position  
June 30, 2013

	Governmental <u>Activities</u>
ASSETS:	
Current Assets-	
Cash	\$ 81,800
Revenue Receivable	17,658
Prepaid Expense	<u>9,850</u>
Total Current Assets	\$ 109,308
Noncurrent Assets-	
Capital Assets, Net	<u>60,541</u>
Total Assets	\$ <u>169,849</u>
LIABILITIES:	
Accounts Payable	\$ 3,477
Payroll Related Liabilities	4,879
Long-Term Debt-	
Current Portion	5,053
Long-Term Portion	12,527
Net Pension Obligation	<u>604,127</u>
Total Liabilities	\$ <u>630,063</u>
NET POSITION:	
Net Investment in Capital Assets	\$ 42,961
Unrestricted Net Position	<u>(503,175)</u>
Total Net Position	\$ <u>(460,214)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court  
Statement of Activities  
June 30, 2013

<u>Activities</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense) Revenue and Changes in Net Position Governmental Activities</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>	
Governmental Activities:					
Judicial	<u>\$748,735</u>	<u>\$596,146</u>	<u>\$21,000</u>	<u>\$0</u>	<u>\$(131,589)</u>
General Revenues:					
Intergovernmental-					
LaSalle Parish Police Jury					\$ 16,800
Gain on Sale of Asset					10,086
Interest					<u>553</u>
Total General Revenues					<u>\$ 27,439</u>
Change in Net Position					<u>\$(104,150)</u>
Net Position June 30, 2012					<u>(356,064)</u>
Net Position June 30, 2013					<u>\$(460,214)</u>

See notes to financial statements.

## FUND FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court  
Balance Sheet-Governmental Fund  
June 30, 2013

ASSETS:

Cash	\$ 81,800
Revenue Receivable	17,658
Prepaid Expense	<u>9,850</u>
Total Assets	<u>\$109,308</u>

LIABILITIES:

Accounts Payable	\$ 3,477
Payroll & Related Liabilities	<u>4,879</u>
Total Liabilities	<u>\$ 8,356</u>

FUND BALANCES:

Nonspendable-	
Prepaid Expense	\$ 9,850
Unassigned	<u>91,102</u>
Total Fund Balance	<u>\$100,952</u>
Total Liabilities & Fund Balance	<u>\$109,308</u>

See notes to financial statements.

LaSalle Parish Clerk of Court  
Reconciliation of the Governmental Fund  
Balance Sheet to the Statement of Net Position  
June 30, 2013

Total Fund Balance for the Governmental Fund at June 30, 2013	\$ 100,952
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Total Net Position reported for Governmental Activities  
in the Statement of Net Position is different because:

Capital Assets used in Governmental Activities are not  
financial resources and, therefore, are not reported  
in the fund. Those assets consist of:

Vehicles	\$ 34,783	
Furniture, Fixtures, and Equipment	<u>241,734</u>	
Total Capital Assets	\$ 276,517	
Less, Accumulated Depreciation	<u>(215,976)</u>	60,541

Long-term liabilities are not due and payable in the  
current period and, therefore, are not reported in  
the Governmental Fund Balance Sheet

Long-Term Debt	(17,580)
Net Pension Obligation	<u>(604,127)</u>

Total Net Position of Governmental Activities at June 30, 2013	<u>\$(460,214)</u>
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LaSalle Parish Clerk of Court  
Statement of Revenues, Expenditures, and Changes in Fund Balance  
Governmental Fund  
June 30, 2013

Revenues:	
Licenses & Permits	\$ 3,801
Charges for Services	592,345
Intergovernmental-	
LaSalle Parish Police Jury	16,800
Supplemental Compensation Fund	21,000
Miscellaneous-	
Interest	<u>553</u>
Total Revenues	<u>\$634,499</u>
Expenditures:	
Current-	
Judicial-	
Personnel Services	\$507,090
Operating Services	34,401
Operating Supplies	55,525
Miscellaneous	6,979
Debt Repayment-Principal	4,180
Debt Repayment-Interest	761
Capital Expenditures	<u>34,783</u>
Total Expenditures	<u>\$643,719</u>
(Deficiency) of Revenues	
Over Expenditures	<u>\$ (9,220)</u>
Other Financing Sources (Uses):	
Debt Proceeds	\$ 21,283
Sale of Capital Assets	<u>13,500</u>
Total Other Financing	<u>\$ 34,783</u>
Excess of Revenues and Other Sources	
over Expenditures and Other Uses	\$ 25,563
Fund Balance-Beginning of Year	<u>75,389</u>
Fund Balance-End of Year	<u>\$100,952</u>

See notes to financial statements.

LaSalle Parish Clerk of Court  
Reconciliation of the Statement of Revenues, Expenditures  
and Changes in Fund Balance of the Governmental Fund  
to the Statement of Activities  
for the Year Ended June 30, 2013

Total Net Change in Fund Balance at June 30, 2013, per Statement of Revenues, Expenditures and Changes in Fund Balance		\$ 25,563
The Change in Net Position reported for Governmental Activities in the Statement of Activities is different because:		
Payments made on Long-term Debt are shown as expenditures in the Governmental Funds, but the payments reduce Long-term Liabilities in the Statement of Net Position. Changes in Long-term Debt were		4,180
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. These amounts are:		
Capital Outlays	\$34,783	
Depreciation Expense	(14,763)	20,020
Governmental Funds report the entire amount received from sales of assets as revenues, but the undepreciated cost of the asset reduces the gain from the sale in the Statement of Activities		(3,414)
Proceeds of Long-term Debt are shown as revenues in the Governmental Funds, but the debt increases Long-term Liabilities in the Statement of Net Assets		(21,283)
Other Post-employment Benefits are reported in the Government- wide Statement of Activities, but are not reported in the Fund Financial Statements. Current year Net Pension Obligation is		(129,216)
Total Changes in Net Position at June 30, 2013, per Statement of Activities		<u>\$(104,150)</u>

See notes to financial statements.

LaSalle Parish Clerk of Court  
Statement of Fiduciary Net Position  
Fiduciary Funds  
June 30, 2013

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ASSETS:				
Cash & Cash Equivalents	<u>\$285,710</u>	<u>\$113,204</u>	<u>\$20</u>	<u>\$398,934</u>
LIABILITIES:				
Cash Overdraft	\$ 28	\$ 0	\$ 0	\$ 28
Due to Others	<u>285,682</u>	<u>113,204</u>	<u>20</u>	<u>398,906</u>
Total Liabilities	<u>\$285,710</u>	<u>\$113,204</u>	<u>\$20</u>	<u>\$398,934</u>

See notes to financial statements.

LaSalle Parish Clerk of Court  
Statement of Changes in Fiduciary Net Position  
for the Year Ended June 30, 2013

	Advance Deposit <u>Fund</u>	Registry of Court <u>Fund</u>	Non-Support <u>Fund</u>	<u>Total</u>
ADDITIONS:				
Suits and Successions	\$276,449	\$ 0	\$10,560	\$287,009
Interest Income	<u>0</u>	<u>147</u>	<u>0</u>	<u>147</u>
Total Additions	\$276,449	\$ <u>147</u>	\$10,560	\$287,156
DEDUCTIONS:				
Clerk's Costs (paid to general fund)	\$179,171	\$ 0	\$ 841	\$180,012
Settlements to Litigants	38,314	0	0	38,314
Sheriff's Fees	25,185	0	9,719	34,904
Attorneys, Curators, Notary	4,857	0	0	4,857
Other Deductions	<u>10,993</u>	<u>0</u>	<u>0</u>	<u>10,993</u>
Total Deductions	\$258,520	\$ <u>0</u>	\$10,560	\$269,080
Change in Liabilities	\$ 17,929	\$ 147	\$ 0	\$ 18,076
Total Liabilities-Beginning	<u>267,781</u>	<u>113,057</u>	<u>20</u>	<u>380,858</u>
Total Liabilities-Ending	<u>\$285,710</u>	<u>\$113,204</u>	<u>\$ 20</u>	<u>\$398,934</u>

See notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

Introduction:

As provided by Article V, Section 28 of the Louisiana Constitution of 1974, the LaSalle Parish Clerk of Court serves as the ex-officio notary public, the recorder of conveyances, mortgages, and other acts, and has other duties and powers provided by law. The Clerk of Court is elected for a four-year term.

1. Summary of Significant Accounting Policies:

A. BASIS OF PRESENTATION-

The accompanying financial statements of the LaSalle Parish Clerk of Court have been prepared in conformity with governmental accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The accompanying basic financial statements have been prepared in conformity with GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments, issued in June 1999.

B. REPORTING ENTITY-

As the governing authority of the parish, for reporting purposes, the LaSalle Parish Police Jury is the financial reporting entity for LaSalle Parish. The financial reporting entity consists of (a) the primary government (police jury), (b) other organizations for which the primary government is financially accountable, and (c) other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

Governmental Accounting Standards Board Statement No. 14 established criteria for determining which component units should be considered part of the LaSalle Parish Police Jury for financial reporting purposes. The basic criterion for including a potential component unit within the reporting entity is financial accountability. The GASB has set forth criteria to be considered in determining financial accountability. This criteria includes:

1. Appointing a voting majority of an organization's governing body, and
  - a. The ability of the Police Jury to impose its will on that organization and/or
  - b. The potential for the organization to provide specific financial benefits to or impose specific financial burdens on the Police Jury.
2. Organizations for which the LaSalle Parish Police Jury does not appoint a voting majority but are fiscally dependent on the LaSalle Parish Police Jury.

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

3. Organizations for which the reporting entity financial statements would be misleading if data of the organization is not included because of the nature or significance of the relationship.

Because the LaSalle Parish Police Jury provides office facilities for the Clerk of Court, the Clerk of Court was determined to be fiscally dependent on the Police Jury and accordingly is considered to be a component unit of the LaSalle Parish Police Jury, the financial reporting entity. The accompanying basic financial statements present information only on the funds maintained by the Clerk of Court and do not present information on the LaSalle Parish Police Jury, the general government services provided by that governmental unit, or the other governmental units that comprise the financial reporting entity.

#### C. FUND ACCOUNTING-

The LaSalle Parish Clerk of Court uses funds to maintain its financial records during the year. Fund accounting is designed to demonstrate legal compliance and to aid management by segregating transactions related to certain Clerk of Court functions and activities. A fund is defined as a separate fiscal and accounting entity with a self-balancing set of accounts. Funds of the Clerk of Court are classified into two categories: governmental and fiduciary. An emphasis is placed on major funds, and the General Fund is considered to be a major fund.

##### Governmental Fund

General Fund - The General Fund (Salary Fund), as provided by Louisiana Revised Statute 13:781, is the principal fund of the LaSalle Parish Clerk of Court and accounts for the operations of the Clerk's office. The various fees and charges due to the clerk's office are accounted for in this fund.

##### Fiduciary Funds

Agency Funds - The agency funds, the Advance Deposit Fund, Registry of Court Fund, and Non-Support Fund account for assets held by the clerk as an agent for others and litigants held pending court action. These funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Consequently, the agency funds have no measurement focus, but use the modified accrual basis of accounting.

#### D. MEASUREMENT FOCUS/BASIS OF ACCOUNTING-

##### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities display information about the reporting government as a whole. These statements include all the financial activities of the LaSalle Parish Clerk of Court, except for the fiduciary funds which are reported separately.

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The government-wide financial statements were prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange or exchange-like transactions are recognized when the exchange occurs (regardless of when cash is received or disbursed). Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASB Statement No. 33, Accounting and Financial Reporting for Nonexchange Transactions.

Fund Financial Statements

Governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources. This approach differs from the manner in which the governmental activities of the government-wide financial statements are prepared. Governmental fund financial statements therefore include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The governmental fund and agency funds use the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). Measurable means the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to pay liabilities of the current period. The LaSalle Parish Clerk of Court considers all revenues available if they are collected within 60 days after the fiscal year end. Expenditures are recorded when the related fund liability is incurred, except for interest and principal payments on general long-term debt which is recognized when due, and certain compensated absences and claims and judgments which are recognized when obligations are expected to be liquidated with expendable available financial resources. The governmental fund uses the following practices in recording revenues and expenditures:

Revenues-

Fees for certified copies, recording legal documents, marriage licenses, and commissions for services are recorded in the year they are earned. Interest income on time deposits is recorded when the time deposits have matured and the income is available. All other revenues are recorded when received.

Expenditures-

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred.



LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

E. BUDGETARY ACCOUNTING-

Formal budgetary accounting is employed as a management control. The LaSalle Parish Clerk of Court prepares and adopts a budget each year for its general fund in accordance with Louisiana Revised Statutes. The operating budget is prepared based on prior year's revenues and expenditures and the estimated increase therein for the current year, using the modified accrual basis of accounting. The Clerk of Court amends its budget when projected revenues are expected to be less than budgeted revenues by five percent or more and/or projected expenditures are expected to be more than budgeted by five percent or more. All budget appropriations lapse at year end.

F. CASH AND CASH EQUIVALENTS-

Cash - includes not only currency on hand but also demand deposits with banks or other financial institutions and other kinds of accounts that have the general characteristics of demand deposits in that the Clerk may deposit additional funds at any time and also effectively may withdraw funds at any time without prior notice or penalty.

Cash equivalents - includes all short term, highly liquid investments that are readily convertible to known amounts of cash and are so near their maturity that they present insignificant risk of changes in value because of interest rates. The Clerk's policy is to include time deposits and certificates of deposit in cash equivalents.

G. INVESTMENTS-

Investments are limited by R. S. 33:2955 and the LaSalle Parish Clerk of Court's investment policy. If the original maturities of investments exceed 90 days, they are classified as investments; however, if the original maturities are 90 days or less, they are classified as cash equivalents.

H. RECEIVABLES-

All receivables are reported at their gross value. The Clerk expects to collect all balances due, and no allowance for bad debts is recorded.

I. CAPITAL ASSETS-

Capital assets are carried at historical cost. Depreciation of all exhaustible capital assets used by the LaSalle Parish Clerk of Court is charged as an expense against operations in the Statement of Activities. Capital assets net of accumulated depreciation are reported on the Statement of Net Position. Depreciation is computed using the straight line method over the estimated useful life of the assets, generally 5 to 10 years for moveable property. Expenditures for maintenance, repairs and minor renewals are charged to expenditures as incurred. Major expenditures for renewals and betterments are capitalized.

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

J. COMPENSATED ABSENCES-

The Vacation/Sick time policy is as follows: After 6 months of employment, each employee receives 1 week vacation, after 1 year they receive 2 weeks, after 10 years they receive 3 weeks. An additional 1 week is given for sick time each year. All Vacation/Sick time is lost if not used each year. Therefore, no entry is made to record compensated absences.

K. ESTIMATES-

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenditures, and expenses during the reporting period. Actual results could differ from those estimates.

L. EQUITY CLASSIFICATIONS-

In the government-wide statements, equity is classified as net position and displayed in three components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net resources with constraints placed on their use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other resources that do not meet the definition of "restricted" or "net investment in capital assets."

When an expense is incurred for the purposes for which both restricted and unrestricted net position is available, the Clerk applies unrestricted resources first, unless a determination is made to use restricted net resources. The policy concerning which to apply first varies with the intended use and legal requirements. This decision is typically made by the Clerk at the incurrence of the expense.

In the fund statements, governmental fund equity is classified as fund balance and displayed in five components. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

- a. Nonspendable fund balance – amounts that are not in a spendable form (such as prepaid expenses) or are required to be maintained intact;

LaSalle Parish Clerk of Court  
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June 30, 2013

- b. Restricted fund balance – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation;
- c. Committed fund balance – amounts constrained to specific purposes by a government itself, using its highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint;
- d. Assigned fund balance – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority;
- e. Unassigned fund balance – amounts that are available for any purpose; positive amounts are reported only in the general fund.

The General Fund, the Clerk's only governmental fund, has a nonspendable fund balance of \$9,850 which represents prepaid expenses. The remaining fund balance of \$91,102 is classified as unassigned. If applicable, the Clerk would typically use restricted fund balances first, followed by committed resources and assigned resources as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first and to defer the use of these other classified funds.

M. RECENTLY ISSUED AND ADOPTED ACCOUNTING PRONOUNCEMENTS-

In June 2011, the GASB issued Statement 64, *Derivative Instruments: Application of Hedge Accounting Termination Provisions - an amendment of GASB Statement No. 53*. GASB 64 provides clarification on whether an effective hedging relationship continues after the replacement of a swap counterparty or a swap counterparty's credit support provider. This statement is effective for periods beginning after June 15, 2011. The adoption of GASB 64 does not have any impact on the Clerk's current financial statements.

In December 2010, the GASB issued Statement 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements; Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure. This statement is effective for periods beginning after December 15, 2011. The adoption of GASB 62 does not have any impact on the Clerk's financial statements.

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
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In June 2011, the GASB issued Statement 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. GASB 63 provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in a statement of financial position and related disclosures. The statement of net assets is renamed the statement of net position and includes four components; assets, deferred outflows of resources, liabilities and deferred inflows of resources. This statement is effective for periods beginning after December 15, 2011.

In November 2010, the GASB issued Statement 60, *Accounting and Financial Reporting for Service Concession Arrangements*. GASB 60 provides financial reporting guidance for service concession arrangements (SCAs). SCAs are defined as an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. This statement is effective for periods beginning after December 15, 2011. The Clerk does not have any SCAs and therefore the adoption of GASB 60 does not have any impact on the Clerk's financial statements.

In March 2012, the GASB issued Statement 65, *Items Previously Reported as Assets and Liabilities*. GASB 65 properly classifies and recognizes certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources. The provisions of this Statement are effective for financial statements for periods beginning after December 15, 2012 although the Clerk elected to early implement statement 65 in calendar year 2012. The adoption of GASB 65 does not have any impact on the Clerk's financial statements.

## 2. Cash and Cash Equivalents and Related Credit Risk:

For reporting purposes, deposits with financial institutions include savings, demand deposits, time deposits, and certificates of deposit. The Clerk of Court may invest in time certificates of deposit of state banks organized under the laws of Louisiana, national banks having their principal office in the state of Louisiana, in savings accounts or shares of savings and loan associations and savings banks and in share accounts and share certificate accounts of federally or state chartered credit unions.

At June 30, 2013, the Clerk of Court had cash and cash equivalents (book balances) totaling \$480,706 as follows:

Demand Deposits	\$ (8)
Interest-bearing Demand Deposits	420,714
Time Deposits	<u>60,000</u>
Total	<u>\$480,706</u>

LaSalle Parish Clerk of Court  
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June 30, 2013

These deposits are stated at cost, which approximates market. Under state law, these deposits (or the resulting bank balances) must be secured by federal deposit insurance or the pledge of securities owned by the fiscal agent bank. The market value of the pledged securities plus the federal deposit insurance must at all times equal the amount on deposit with the fiscal agent bank. These securities are held in the name of the pledging fiscal agent bank in a holding or custodial bank that is mutually acceptable to both parties.

At June 30, 2013, the Clerk of Court has \$524,571 in collected bank balances. These deposits are secured from credit risk as follows:

Collected Bank Balances	\$ 524,571
FDIC Insurance	(367,828)
Pledged Securities	(156,743)
Balance Subject to Credit Risk	\$ <u>0</u>

Even though the pledged securities are considered uncollateralized (Category 3), under the provisions of GASB, Louisiana Revised Statute 39:1229 imposes a statutory requirement on the custodial bank to advertise and sell the pledged securities within 10 days of being notified by the Clerk of Court that the fiscal agent has failed to pay deposited funds upon demand.

3. Revenue Receivable:

The following is a summary of receivables at June 30, 2013:

<u>Class of Receivable</u>	<u>Total</u>
Fees & charges for services	<u>\$17,658</u>

4. Capital Assets:

Capital asset balances and activity for the year ended June 30, 2013, is as follows:

	<u>Balance</u> <u>06-30-12</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance</u> <u>06-30-13</u>
Vehicles	\$ 20,485	\$ 34,783	\$(20,485)	\$ 34,783
Furniture fixtures, and equipment	241,734	0	0	241,734
Less, accumulated depreciation	(218,284)	(14,763)	17,071	(215,976)
Total Capital Assets, net	\$ <u>43,935</u>	\$ <u>20,020</u>	\$ <u>(3,414)</u>	\$ <u>60,541</u>

Depreciation expense of \$14,763 was charged to the judicial function.

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
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5. Accounts Payable:

The following is a summary of accounts payable at June 30, 2013:

<u>Class of Payable</u>	<u>Total</u>
Vendor	\$3,477
Payroll	4,879
Total	<u>\$8,356</u>

6. Pension Plan:

Plan Description - Substantially all employees of the LaSalle Parish Clerk of Court are members of the Louisiana Clerks of Court Retirement and Relief Fund (System), a cost-sharing, multiple-employer defined benefit pension plan administered by a separate board of trustees.

All regular employees who are under the age of 60 at the time of original employment are required to participate in the System. Employees who retire at or after age 55 with at least 12 years of credited service are entitled to a retirement benefit, payable monthly for life, equal to 3 percent of their final-average salary for each year of credited service, not to exceed 100 percent of their final-average salary. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produces the highest average. Employees who terminate with at least 12 years of service and do not withdraw their employee contributions may retire at or after age 55 and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established and amended by state statute.

The System issues an annual publicly available financial report that includes financial statements and required supplementary information for the System. That report may be obtained by writing to the Louisiana Clerks of Court Retirement and Relief Fund, 11745 Bricksome Avenue, Suite B, Baton Rouge, Louisiana 70816, or by calling (225) 293-1162.

Funding Policy - Plan members are required by state statute to contribute 8.25 percent of their annual covered salary and the LaSalle Parish Clerk of Court is required to contribute at an actuarially determined rate. The current rate is 17.25 percent of annual covered payroll. Contributions to the System also include one-fourth of one percent of the taxes shown to be collectible by the tax rolls of each parish. The contribution requirements of a plan member and the LaSalle Parish Clerk of Court are established and may be amended by state statute. As provided by Louisiana Revised Statute 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the result of the valuation for the prior fiscal year. The LaSalle Parish Clerk of Court's contribution to the System for the years ending June 30, 2013, 2012, and 2011, were \$45,690, \$45,304 and \$47,347, respectively, equal to the required contribution for each year.



LaSalle Parish Clerk of Court  
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June 30, 2013

7. Other Postemployment Benefits:

*Plan Description.* The LaSalle Parish Clerk of Court contributes to a single-employer defined benefit healthcare plan (“the Retiree Healthcare Plan”). The plan provides lifetime healthcare and life insurance for eligible retirees through the clerk’s group health insurance plan. Benefit provisions are established by the LaSalle Parish Clerk of Court. Employees are entitled to benefits upon reaching age 55 with at least 12 years of credited service. The Retiree Health Plan does not issue a publicly available financial report.

Effective with the year ending June 30, 2010, the LaSalle Parish Clerk of Court implemented Government Accounting Standards Board Statement Number 45, *Accounting and Financial Reporting by Employers for Post employment Benefits Other than Pensions* (GASB 45). The statement has been implemented prospectively. Using this method, the OPEB liability relative to past service will be amortized and recognized as an expense over thirty years.

*Funding Policy.* The LaSalle Parish Clerk of Court contributes 100% of the cost of current year premiums for eligible retired employees. For the year ended June 30, 2013, the LaSalle Parish Clerk of Court contributed \$44,618 to the plan.

*Annual OPEB Cost and Net OPEB Obligation.* The clerk’s annual OPEB cost (expense) is calculated based on the annual required contribution (ARC) of the employer. The LaSalle Parish Clerk of Court meets the requirements to use the Alternative Measurement Method for plans with fewer than 100 members, and has elected to calculate the ARC and related information using the Entry Age Cost Method and the Level Percentage of Payroll Amortization Method. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the clerk’s annual OPEB costs for the year, the amount actually contributed to the plan, and changes in the clerk’s net OPEB obligation to the retiree health plan.

Annual required contribution	\$164,336
Interest on net OPEB obligation	9,498
Adjustment to annual required contribution	<u>0</u>
Annual OPEB cost (expense)	\$173,834
Contributions made	<u>(44,618)</u>
Increase in net OPEB obligation	\$129,216
Net OPEB obligation at beginning of year	<u>474,910</u>
Net OPEB obligation at end of year	<u>\$604,126</u>

The Clerk’s estimated annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the year ended June 30, 2013, and the two preceding fiscal years are shown below:

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

<u>Fiscal Year Ended</u>	<u>Discount Rate</u>	<u>Annual OPEB Cost</u>	<u>% of OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
06/30/2011	2.00%	\$196,809	19%	\$320,063
06/30/2012	2.00%	\$199,967	22%	\$474,910
06/30/2013	2.00%	\$173,834	25%	\$604,126

*Funded Status and Funding Progress.* As of June 30, 2013, and for the two preceding valuations, the actuarial accrued liability for benefits, the covered payroll (annual payroll of active employees covered by the plan), and ratio of the unfunded actuarial accrued liability to the covered payroll were as follows:

<u>Actuarial Valuation Date</u>	<u>Actuarial Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Actuarial Accrued (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
6/30/11	\$0	\$2,632,835	\$2,632,835	0%	\$277,462	949%
6/30/12	\$0	\$2,632,835	\$2,632,835	0%	\$262,634	1,003%
6/30/13	\$0	\$2,658,628	\$2,658,628	0%	\$264,871	1,004%

The projection of future benefits for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presents multi-trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

*Methods and Assumption.* Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations. The following simplifying assumptions were made:

*Retirement age for active employees* - Based on the historical retirement age for the covered group, and unless otherwise indicated, active members were assumed to retire at age 55 or the earliest age after that at which they would have at least 12 years of service with the Clerk's office.

*Marital status* - Marital status of members at the calculation date were assumed to continue throughout retirement.



LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

*Mortality* - Life expectancies were based on mortality tables from the National Center for Health Statistics. The 2008 United States Life Tables for Males and for Females, revised September 24, 2012, were used.

*Turnover* - Non-group-specific age-based turnover data from GASB Statement 45 were used as the basis for assigning active members a probability of remaining employed until the assumed retirement age and for developing an expected future working lifetime assumption for purposes of allocating to periods the present value of total benefits to be paid.

*Healthcare cost trend rate* - The expected rate of increase in healthcare insurance premiums was based on projections of the Office of the Actuary at the Centers for Medicare and Medicaid Services. A rate of 4.0% initially, increased to an ultimate rate of 6.8% after ten years, was used.

*Health insurance premiums* - 2013 age-adjusted health insurance premiums for retirees were used as the basis for calculation of the present value of total benefits to be paid.

*Inflation rate* - A long-term inflation assumption of 3.95% was based on projected changes in the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W) in the 2013 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds for an intermediate growth scenario.

*Payroll growth rate* - The expected long-term payroll growth rate was assumed to equal the rate of inflation.

8. Long-Term Debt:

1. In July 2008, the Clerk borrowed \$20,486 at 5.75% interest for 4 years from Sabine State Bank & Trust for the purchase of a 2007 Ford Truck. This debt was paid off in full from the General Fund in July 2012.
2. In November 2012, the Clerk entered into a lease-purchase agreement with Ford Motor Credit Company for \$21,283 to purchase a 2012 Ford F150 Truck. The terms of the loan are monthly principal and interest payments for 48 months at 5.95% interest to be paid by the General Fund.

The following is a summary of changes in long-term debt for the year ended June 30, 2013:

	Balance <u>July 1, 2012</u>	<u>Additions</u>	<u>Reductions</u>	Balance <u>June 30, 2013</u>
Governmental Activities:				
2007 Ford Truck	\$478	\$ 0	\$ 478	\$ 0
2012 Ford F150 Truck	<u>0</u>	<u>21,283</u>	<u>3,703</u>	<u>17,580</u>
Total	<u>\$478</u>	<u>\$21,283</u>	<u>\$4,181</u>	<u>\$17,580</u>

LaSalle Parish Clerk of Court  
Notes to Financial Statements  
June 30, 2013

The annual debt service requirements to maturity for these loans are as follows:

Year Ending <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2014	\$ 5,053	\$ 910	\$ 5,963
2015	5,362	601	5,963
2016	5,689	274	5,963
2017	<u>1,476</u>	<u>14</u>	<u>1,490</u>
Total	<u>\$17,580</u>	<u>\$1,799</u>	<u>\$19,379</u>

9. Risk Management:

The LaSalle Parish Clerk of Court is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The Clerk of Court maintains commercial insurance coverage covering each of those risks of loss. Management believes such coverage is sufficient to preclude any significant uninsured losses to the Clerk of Court.

10. Expenditures of the Clerk of Court Paid by the LaSalle Parish Police Jury:

Certain expenses of the LaSalle Parish Clerk of Court's office are paid by the LaSalle Parish Police Jury. In addition to furnishing the building where the Clerk's office is located, the Police Jury pays all utility bills, some insurance, and furnishes some of the equipment in the Clerk's office.

11. Deferred Compensation:

All of the employees of the LaSalle Parish Clerk of Court are eligible to participate in the State of Louisiana deferred compensation plan. Employees may contribute up to 100% of their salary (not to exceed \$17,000 a year) to the plan on a pre-tax basis. The contributions are withheld from the employees' paycheck. The contributions are fully vested immediately and are remitted to a third-party administrator each pay period, where they are deposited to an account in the employee's name. The LaSalle Parish Clerk of Court does not assume any liability for the funds and does not have any control over the funds once they are remitted to the third-party administrator. The Clerk did not match any funds contributed by the employees; therefore the Clerk incurred no expense for deferred compensation.

12. Subsequent Events:

Management has evaluated events through November 7, 2013, the date which the financial statements were available for issue. There were no items to be reported as subsequent events.

## OTHER REQUIRED SUPPLEMENTARY INFORMATION

LaSalle Parish Clerk of Court  
General Fund  
Budgetary Comparison Schedule  
For the Year Ended June 30, 2013

	Budget Original/Final	Actual	Variance Favorable (Unfavorable)
REVENUES:			
Licenses & Permits	\$ 4,673	\$ 3,801	\$ (872)
Charges for Services	615,271	592,345	(22,926)
Intergovernmental-			
LaSalle Parish Police Jury	0	16,800	16,800
Supplemental Compensation Fund	19,470	21,000	1,530
Miscellaneous-			
Interest	<u>1,412</u>	<u>553</u>	<u>(859)</u>
Total Revenues	<u>\$640,826</u>	<u>\$634,499</u>	<u>\$ (6,327)</u>
EXPENDITURES:			
Current-			
Judicial-			
Personnel Costs	\$511,065	\$507,090	\$ 3,975
Operating Services	36,632	34,401	2,231
Operating Supplies	47,640	55,525	(7,885)
Miscellaneous	8,205	6,979	1,226
Debt Repayment	6,224	4,941	1,283
Capital Expenditures	<u>31,060</u>	<u>34,783</u>	<u>(3,723)</u>
Total Expenditures	<u>\$640,826</u>	<u>\$643,719</u>	<u>\$ (2,893)</u>
Excess (Deficiency) of Revenues over Expenditures	<u>\$ 0</u>	<u>\$ (9,220)</u>	<u>\$ (9,220)</u>
OTHER FINANCING SOURCES:			
Debt Proceeds	\$ 0	\$ 21,283	\$ 21,283
Sale of Capital Assets	<u>0</u>	<u>13,500</u>	<u>13,500</u>
Total Other Financing	<u>\$ 0</u>	<u>\$ 34,783</u>	<u>\$ 34,783</u>
Excess of Revenues Other Sources Over Expenditures and Other Uses	<u>\$ 0</u>	<u>\$ 25,563</u>	<u>\$ 25,563</u>
Fund Balance-Beginning of Year	<u>75,389</u>	<u>75,389</u>	<u>0</u>
Fund Balance-End of Year	<u>\$ 75,389</u>	<u>\$100,952</u>	<u>\$ 25,563</u>

See notes to financial statements.

## SUPPLEMENTARY INFORMATION

# Johnson, Thomas & Cunningham

## Certified Public Accountants

Eddie G. Johnson, CPA - A Professional Corporation (1927-1996)

Mark D. Thomas, CPA - A Professional Corporation

Roger M. Cunningham, CPA - A Professional Corporation

Jessica H. Broadway, CPA - A Professional Corporation

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### INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

Honorable Steve D. Andrews  
LaSalle Parish Clerk of Court  
Jena, Louisiana

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States and the *Louisiana Governmental Audit Guide*, the financial statements of the governmental activities, major fund and fiduciary funds as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the LaSalle Parish Clerk of Court's (Clerk) basic financial statements and have issued our report thereon dated November 7, 2013.

#### **Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the Clerk's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Clerk's internal control. Accordingly, we do not express an opinion on the effectiveness of the Clerk's internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of audit findings as item 13-01, that we consider to be a significant deficiency.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Clerk's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **LaSalle Parish Clerk of Court Response to Finding**

The Clerk's response to the finding identified in our audit is described in the accompanying schedule of audit findings. The Clerk's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose. However, this report is a matter of public record and its distribution is not limited. Under Louisiana Revised Statute 25:513, this report is distributed by the Louisiana Legislative Auditor as a public document.

*Johnson, Thomas & Cunningham*

Johnson, Thomas & Cunningham, CPA's

November 7, 2013  
Natchitoches, Louisiana

LaSalle Parish Clerk of Court  
Schedule of Audit Findings  
Year Ended June 30, 2013

I. SUMMARY OF AUDIT RESULTS

The following summarize the audit results:

1. An unmodified opinion was issued on the general purpose financial statements of the LaSalle Parish Clerk of Court as of and for the year ended June 30, 2013.
2. The audit disclosed one significant deficiency in internal control, and this deficiency was not determined to be a material weakness.
3. The audit disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

II. FINDINGS IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

The following finding relates to the financial statements and is required to be reported in accordance with *Government Auditing Standards*:

Internal Control-

*13-01 Segregation of Duties*

*Criteria* - The Clerk's office should have employees available to execute the ongoing duties related to financial matters.

*Condition* - Our evaluation of the internal control structure revealed an absence of appropriate segregation of duties and the lack of personnel available to prepare financial statements including the related note disclosures.

*Effect* - Intentional or unintentional errors could be made and not detected within the accounting system.

*Cause* - Due to a lack of funds, the Clerk's office does not have a sufficient number of employees to adequately separate accounting duties or to prepare the Clerk's annual financial statements with related note disclosures.

*Recommendation* - Since the costs associated with establishing an appropriate system of internal control should not outweigh the benefits derived from it, we do not have a recommendation to make.

*Management's Response* - It is not economically feasible to add a sufficient number of employees to adequately segregate all accounting duties. In addition, we have evaluated the cost/benefit of establishing a system to prepare our annual financial statements and have determined that it is in the best interest of the Clerk of Court to have our independent auditors prepare our annual financial statements. We understand that we should review the financial statements and notes and accept responsibility for their contents and presentation.



LaSalle Parish Clerk of Court  
Schedule of Audit Findings  
Year Ended June 30, 2013

III. PRIOR YEAR AUDIT FINDINGS

No findings.